# MEGA-TECH

Domain: HRM, Knowledge Management

CASE PROBLEM

MegaTech is a technology services and consulting company with a presence across Asia, Europe, and America. They offer a range of solutions, from ERP implementations to cloud services and more.

The company has over 150,000 employees, spread out across 182 locations across 55 countries. The CEO and CTO keep a relaxed reporting schedule, and branch autonomy is high. Their offices mostly follow a functional organizational Structure and encourage employee specialization.

Projects are usually acquired by their sales teams, which can be a process that takes years at times. Once a project is finalized, a project manager is allotted to it, who then supervises three broad teams under him/her.

The Functional lead teams work closely with the customers, analyzing what their business requirements are and translating them into software features. The technical teams, on the other hand, actually program/customize the software to meet the requirements and are also in charge of debugging, performing pilots, etc. Lastly, the supply teams work with third-party vendors such as Ariba, SAP, Microsoft, etc., and aid the technical team to carry through with the designed implementation.
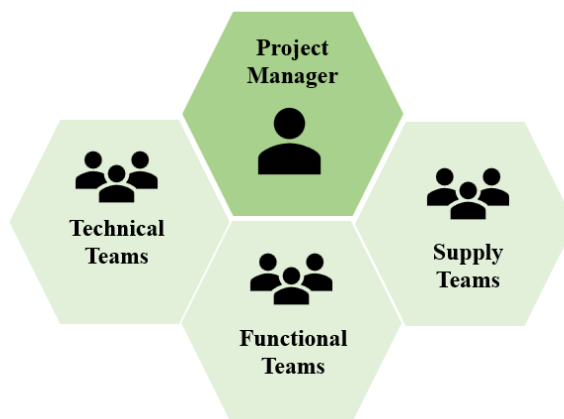
The company's workflow has also become increasingly agile, switching over from the once overly linear waterfall methodology. This means that the

workstream happens in short reiterative sprints, where each module is designed, built, tested, confirmed with the client, and then finalized if it meets client expectations, failing which, the cycle repeats. While this process requires more cross-functionality and time, it allows for ensuring higher quality, feedback incorporation, and efficient customization.
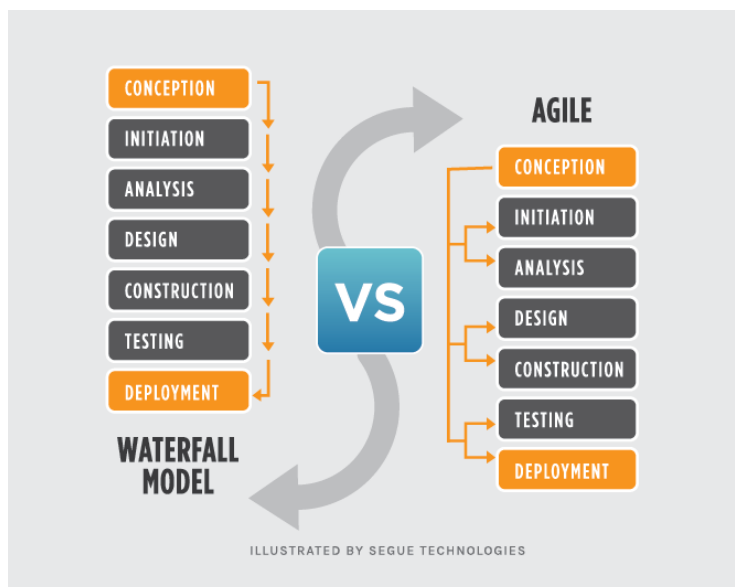
CHALLENGES

Susan, the COO, has been very worried about the way her company's operations were coming along. While all seemed well on the surface, the kinks in the chain would soon come to the surface.

The heart of the problem was almost deceptively easy to understand. The industry had been experiencing a big boom, and there was a dearth of mid-level software managers who had the right mix of technical and management skills. This meant that the turnover rates of employees had soared, with both entry and mid-tier employees having high turnover rates.

This posed a unique challenge for the firm. Sales, pitching, and project acquisition were often very time-consuming processes, especially when it came to larger clients. Employee attrition meant that people involved in the pitching and designing process would leave large gaps in knowledge that replacements couldn't fill in completely. This meant time lags, problems with cross-functional working, and more. While the HR department's increased push in bonuses was helping stall the problem, employee attrition had always been an issue in the industry and needed a long-term solution.

In fact, two years ago, the company tried to implement a knowledge management solution, buying Microsoft's SharePoint. SharePoint essentially worked as an intranet where file-sharing could be done, and while an overwhelming 97% of employees agreed that knowledge management was important and were willing to participate, only a measly 15% of employees had actually made substantial use of SharePoint, which had slowly fizzled out of use.

Employees called the software 'a glorified google doc' and went back to sharing documents by mail, while actual documentation of their mistakes and learnings stopped completely. This was a big problem, as it dampened firm learning, and employees lost out on valuable experience that they could have learned from.

Adding this issue with the ongoing price wars amongst them and their rivals meant that the one-time bonuses couldn't be sustained for too long.

I) Try to reason out why the SharePoint implementation failed for MegaTech. What could be done to remedy the issue?

II) What are the factors that control employee attrition in the IT industry, and what are some ways that turnover rates can be reduced?

III) Recently, some employees had slowed down work as dissatisfaction ran high regarding appraisals and promotions. Employees were currently marked on productivity, their team leader's ratings, and overall profits brought in by the team for appraisals. The employees, however, felt that they were not fairly marked due to their team leader's ratings being possibly biased and their team performance being exogenous. What are some of the factors that should be considered when creating a fair and efficient system for scoring employees?

CASE SOLUTION

Problem Statement 1)

Try to reason out why the SharePoint implementation failed for MegaTech. What could be done to remedy the issue?

The possible explanation for why adoption of SharePoint was low for MegaTech includes the following:

1) Inadequate knowledge- of the employees about the functions and uses of the platform, as the employees who stopped using the software, thought of it to be similar to using a Google doc, neglecting other important features of the software.

This includes the lack of effective and sustainable training programs, considering the overwhelming majority of the employees considered knowledge management important but didn't implement it, might be because they consider it to be difficult or complex.

2) Resistance in transitioning- In addition to this, since employees have their own preferred file-sharing applications like email for everyday usage, this can lead to resistance in transitioning to new technology and breaking the traditional habits of the employees.

Ways in which these issues can be remedied:

1) Appropriate incentives- Providing appropriate incentives such as rewarding higher quality knowledge management practices by higher rating for those employees who use SharePoint and are therefore making an effort to improve Knowledge management will help to increase the use of SharePoint.

2) Awareness Campaign- Another solution includes building awareness campaigns focussing on tips on how employees can get the most value from working with SharePoint and clearly conveying the benefits with increased user adoption over time, indicating to the employees what's in it for them.

They can also be updated by the company with the metrics that show the results as success, increased efficiency and reduced effort can work as motivating factors for the employees to adopt it quickly.

3) Training sessions- The company can also provide training sessions that focus on how to utilise SharePoint in day to day activities, explaining the key concepts of the platform, demonstrating its applicable functionalities, to ensure that employees have the skills to use the new platform efficiently.

4) Hands on Learning Experience- Employees will also need hands-on learning while working on the platform to completely understand the platform and feel confident while working on it. This can be done by Upper level management promoting and encouraging the use of SharePoint as a primary collaboration tool for all communications and discussions instead of the traditional ways such as mails. A one-click or popup walkthrough can also be embedded into every feature so the employees can use the tool without needing to know or remember how to.

Problem Statement 2)

What are the factors that control employee attrition in the IT industry, and what are some ways that turnover rates can be reduced?

In order to understand the factors controlling employee attrition in the IT industry, it is important to understand the factors that affect employee attrition which are **pay, workload, flexibility, development, and hiring.**

1. Pay: According to the case, the technical developers in any team, actually program/customise the software to meet the requirements and are also in charge of debugging, performing pilots, etc. thus, when employees in the IT sector do not receive good compensation they lose their morale to keep working in an organisation.

2. Workload: Efficiency plays a key role in determining the effectiveness of the work done by any employee. An employee given more workload does not put all its efforts into it which brings poor results and they feel overburdened. The lower the job satisfaction of the employee, the higher his chances of attrition.

3. Flexibility: The work of the IT industry has no constraint of place. Thus flexibility of place and time encourages them to work in an efficient manner. On the other hand, lack of it can cause attrition.

4. Development: Personal growth has become a very important factor for employees nowadays. Employees want to be the best at their jobs in order to get better opportunities. It helps them feel confident and informed about their field. Unavailability of such development and personal growth can become a reason for attrition.

5. Hiring: The IT industry offers a wide variety of job profiles as per the interest and expertise of employees. Such varieties ensure that every employee of the firm brings a different skill set of their expertise along with them. Sometimes, employees join IT firms but are unsure about their job profiles or maybe want to work in a sector other than IT leading to yet another factor of attrition.

Ways in which employee turnover can be reduced:

Most IT organisations today are being hit badly with a high rate of attrition resulting in various productivity and quality related issues. Such a high attrition rate indicates the supply side issues being faced by the Indian IT

industry. High rate of employee attrition also indicates frequent changes in the team and resources. These changes are not welcomed by the service seekers of the organisation. In such a situation, a flexible and supportive work environment and appropriate employee perks can prove to be a better option than one time bonus. Following are the methods of reducing employee turnover in detail:

1. Hiring Carefully: Firms need to ensure the hiring of the right people for the right job. In order to find the best fit for the job role, proper evaluation of the interest, efficiency and skillset should be done. This makes employees actually want to do the job that they are hired for and do not leave to change their job profiles.

2. Providing proper compensation: Firms must make sure that they are not only paying employees the wages at minimum market rate but also offering them competitive salaries for their work which keeps them motivated and satisfied to stay in the firm.

3. Recognize and reward employees: Firms should Show their employees that they are valued and appreciated by offering them real-time recognition that celebrates their successes and their efforts. It should be specific, social and supported by a reward, and the firm in return will be rewarded—with their loyalty. Employee recognition ideas like shout outs on social media, congratulatory features in newsletter, thank you meeting, home delivery, tickets for an exclusive event, educational opportunities etc. could be used for it.

4. Offer Flexibility: Today's employees crave a flexible life/work balance. That impacts retention directly. In fact, a Boston College Centre for Work & Family study found that 76% of managers and 80% of employees indicated that flexible work arrangements had positive effects on retention. And more and more companies know it. That means, if a firm is not offering employees flexibility around work hours and locations, employees might easily leave them. Employers can offer short term project-wise employment/ contracts so that employees are not obligated to stay for an indefinite period of time. This can act as a USP of the company.

5. Make opportunities for development and growth: Employees place value on opportunities for growth. If a firm is not developing its employees, employees have a very high chance of moving on to better opportunities.Such development can be done by conducting special guest seminars, suggesting certifications, organising training camps or including in challenging projects etc.

6. Provide an inclusive vision: One key factor in employee engagement and happiness, according to experts, is to provide them with a sense of purpose and meaning in their work. Offering employees a strong vision and goals for their work increases their sense of belonging and loyalty to the organisation.

Problem Statement 3)

Recently, some employees had slowed down work as dissatisfaction ran high regarding appraisals and promotions. Employees were currently marked on productivity, their team leader's ratings, and overall profits brought in by the team for appraisals. The employees, however, felt that they were not fairly marked due to their team leader's ratings being possibly biased and their team performance being exogenous. What are some of the factors that should be considered when creating a fair and efficient system for scoring employees?

A tight labour market, like the one the industry is facing at the moment, creates pressure to keep employees happy and groom them for advancement. When human capital was plentiful, the focus was on which people to let go, which to keep and which to reward. But now when talent is in short supply, developing people has become a greater concern.

Some suggestions to make a more just and efficient evaluation system for employees:

1. **Provide ongoing, not episodic, performance feedback:**
   Giving employees instant feedback, tying it to individuals' own goals and handing out small weekly bonuses to those doing well can be effective and improve employee motivation and performance. Replacing annual reviews with frequent, preferably monthly, informal check-ins between managers and employees and including regular conversations about

performance and development change the focus to building the workforce the organisation needs. Shift the investment of time from talking among managers and supervisors about ratings ratings to talking to the employees about their performance and career.

2. **Make the review forward looking not backward looking:**
The emphasis should not be on holding the employees accountable for what they did last year, at the expense of improving performance now and in the future. Priority should be given to improvement rather than accountability, which promotes teamwork.

3. **Include peer feedback, not just managerial feedback in the evaluation:**
Turning to peer-to-peer review as a criteria in employee performance will provide a closer look at the employee and the assessment can be completed in a more objective light, giving more insight into the employee's strengths, weaknesses and potential. It also helps in identifying gaps in performance that may have been overlooked, increasing productivity.

4. **A system of two-way feedback can also be implemented:**
Adding to the conventional approach of managerial feedback of the employees, a two-way system where the employees provide feedback about the managers can also be appointed. This will not only provide insights about the manner of working and handling of the managers but also reflect on the hierarchical order of the organisation, showcasing the employees' views of their superiors and may be helpful in resolving conflicts.

5. **People may rate other people's skills inconsistently, but they are highly consistent when rating their own feelings and intentions:**
To see performance at the individual level, team leaders can be asked not about the skills of each team member but about their own future actions with respect to that person. At the end of projects (or once every quarter for long-term projects) team leaders can be asked to respond to future-focused statements about each team member. In effect, it is asking the team leaders what they would do with each team member rather than what they think of that individual.

6. **Providing detailed feedback to the employees:**
   The evaluation of each employee can be made transparent and detailed as to what were the criteria for the evaluation and what were the basis of the feedback. This will not only help the employee improve upon previous gaps in performance and grow but also create a sense of fair treatment among the rest. Managers can provide at length reviews of the employee performance and suggest ways of improvement, establishing a mentor-mentee relationship.